

AD Budget Planning and
Human
Resources/ARL/R9/FWS/DOI
12/19/2005 07:56 AM

To
cc
bcc
Subject: TSP Catch Up Contributions

The Thrift Savings Plan offers eligible participants the opportunity to make tax deferred catch-up contributions from their basic pay to their TSP accounts. These contributions are in addition to the regular employee contributions and do not count against the annual limit for tax deferred contributions, 15,000 for 2006 for all employees. The catch-up contributions have an annual limit of \$5,000. There is no agency matching element for catch-up contributions.

To participate in the catch-up contribution program you must meet the following criteria:

- Must be 50 years or older during the year of the contribution (even if your birthday is as late as December 31, of that year),
- Must be in a pay status,
- Must already be making the maximum allowable contributions to the TSP (\$15,000 for all employees), and
- Cannot be in the 6-month non-contribution period following the receipt of a financial hardship in-service withdrawal.

To participate in the catch-up program, you should make your election via Employee Express (<http://www.employeeexpress.gov>). Contribution amounts must be in a whole dollar amount, rather than a percentage. Deductions for catch-up contributions will continue to be removed pre-tax from your basic pay until the annual catch-up limit is met, the calendar year ends, or you choose to stop the contributions. You must make a new election each year. Separate investment allocations cannot be made for catch-up contributions. Your catch-up contributions will be invested in the same manner as your regular TSP contributions.

You may make more than one election, at any time, during the year. Elections will become effective no later than the first full pay period after the election is made. To maximize the number of contributions for 2006, elections can be submitted via Employee Express beginning December 1. Additional information on TSP or the catch-up program can be found on their website at <http://www.tsp.gov>, or by contacting Kathy Cannavino at 703-358-2576.